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DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION

EXTERNAL DEBT CRISIS AND DEVELOPMENT

INTERNATIONAL COOPERATION FOR THE ERADICATION OF POVERTY IN DEVELOPING COUNTRIES

OPERATIONAL ACTIVITIES FOR DEVELOPMENT

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INTERNATIONAL DECADE FOR NATURAL DISASTER REDUCTION

IMPLEMENTATION OF DECISIONS AND RECOMMENDATIONS OF THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT

HUMAN RESOURCES DEVELOPMENT

Letter dated 15 October 1993 from the Acting Permanent Representative of Bangladesh to the United Nations addressed to the Secretary-General

On behalf of the Group of the Least Developed Countries, I have the honour to forward to you the Declaration adopted by the Ministerial Meeting of the Least Developed Countries at United Nations Headquarters in New York on 30 September 1993.

I should be grateful if arrangements could be made for the Declaration to be circulated as an official document of the General Assembly under agenda items 91, 92, 93, 94, 95, 96, 98, 99 and 104.

(Signed) Jamil MAJID
Acting Permanent Representative

ANNEX

Declaration of the Ministerial Meeting of the Least Developed Countries, New York, 30 September 1993

1. The Ministers of the Least Developed Countries, attending the forty-eighth session of the General Assembly held their annual consultations at United Nations Headquarters on 30 September 1993 to assess the socio-economic situation and prospects of their countries, to review progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s and make recommendations to chart a future course of action. The meeting was held in pursuance to the decision of the Dhaka Declaration of February 1990.

Paris Declaration and Programme of Action of the Second United Nations Conference on the Least Developed Countries and the recent developments

2. The Ministers recalled that in the Paris Declaration, the international community had collectively committed itself to reverse the deterioration in the economic, social and ecological situation of the least developed countries and had demonstrated its unanimous determination to promote the ambitious development policy contained in the Programme of Action. The Ministers, however, noted with serious concern that in the implementation of the Programme of Action, a remarkable asymmetry had emerged; while the least developed countries, on their part, had been implementing courageous and fundamental policy reforms in line with the Programme, the majority of their development partners had not honoured their part of the commitments. So far only a few of the donor countries had met and even exceeded the set aid target of 0.20 per cent of their GNP for ODA resources. The imbalance in the implementation of the Programme of Action brought into question the partnership envisaged in the Programme. The prospects of those countries to grow out of their development impasse could be jeopardized as a consequence, and the 1990s could become another lost decade for them. Furthermore, the unabated decline of the economies of those countries and their widespread poverty and environmental degradation would continue to pose a major challenge to the entire international community.

3. The Ministers highlighted the policy reforms and adjustments that the least developed countries had been undertaking, notably by creating a favourable macroeconomic environment, enhancing the efficiency of the public sector, strengthening human and institutional capacities, promoting private initiatives for development including private enterprise and foreign investment, and fostering motivation and participation of their populations in the process of development. They stressed that full implementation of the donors commitments would substantially contribute to the sustainability of the reform efforts earnestly implemented by the least developed countries. They expressed their determination to continue reform efforts, and to that end called upon their development partners to fully and adequately support those efforts.

4. The Ministers noted with deep concern that external economic conditions had sharply deteriorated for the least developed countries and continued to impose strain on their ability to carry forth the reform process. The stagnating/declining flow of development resources, serious external

indebtedness, diminution of their trading opportunities associated with continuing decline in commodity prices and a secular decline in terms of trade of the least developed countries were severely threatening the sustainability of their domestic reforms.

Role of the development partners and ODA flows

5. The Ministers noted with profound concern that the donors aid performance fell far short of the commitments in the Programme of Action and the ODA/GNP ratio for Development Assistance Committee (DAC) countries has actually declined from 0.09 per cent in 1989 and 1990 to 0.08 per cent in 1991. Moreover, the share of the least developed countries in the aid programmes of the DAC donors has been declining in recent years. The situation has been further aggravated by greater conditionality of aid and the complexities which the least developed countries have to face in this regard, as well as by the rise of new claimants on development assistance. The Ministers, while recognizing the current economic difficulties of donors, stressed that the global recession has greatly compounded the economic difficulties of the least developed countries and sharply increased their external support requirements. They also took note of the additional difficulties faced by several least developed countries resulting from the calamities both natural and man-made which deserves special attention for the reconstruction and rehabilitation of their economies.

6. The Ministers urged their development partners to make special efforts to safeguard aid allocations to the least developed countries with a view to providing them with a substantial increase in the level of external financial resources in line with the commitments undertaken in the Programme of Action. They commended the development partners who have fulfilled or exceeded ODA targets and urged upon others to at least meet the targets. Referring to the addition of six countries to the list of the least developed countries following the adoption of the Programme of Action, they called for an urgent upward adjustment, as agreed in UNCTAD VIII, of the ODA targets established in the Programme of Action.

7. The Ministers noted with great concern the uncertain resource situation of the multilateral financing institutions and organizations which provide a significant part of the external financing for the least developed countries. In this regard, they called for an immediate ratification of the agreement on the 10th replenishment of IDA, an early establishment of successor arrangements for Structural Adjustment Facility (SAF) and Extended SAF of the IMF and a smooth transition to the third phase of SPA.

External indebtedness of the least developed countries

8. The Ministers stressed that the least developed countries' external debt and debt service burden continues to be a major obstacle to their development efforts. In 1991 the total stock of external debt of the least developed countries stood at around US$ 116 billion. At the 1990-1991 level the stock of debt of the least developed countries represents nearly three quarters of their combined GDP. The ratio of debt-service to exports for the least developed countries as a whole stood at around 20 per cent in 1991. In a situation of increased external financial requirements on the one hand, and stagnating/declining ODA flows, on the other, the impact of resource outflow due

to debt servicing on the least developed countries' growth and development process and on their adjustment efforts, has become far more damaging. Debt relief measures from which the least developed countries have benefited have proved to be inadequate in reducing their debt overhang. The Ministers called for full cancellation of all bilateral official debt as well as urgent and effective measures for substantial reduction of the least developed countries debt stock and debt service burden owed to multilateral financial institutions and commercial creditors.

International trade

9. The Ministers recognized the importance of a more open, credible and durable multilateral trading system which can effectively promote growth and development in the least developed countries, particularly through improvement in market access. The trade performance of the least developed countries has been poor and has marginalized their position in the world trading system even further in the last decade. The least developed countries suffered a decline in the current value of their total exports and their market share declined from 0.6 per cent in 1980 to 0.3 per cent in 1991. Exports from the least developed countries mainly consist of commodities where also the market of the least developed countries fell significantly. The poor trade performance of the least developed countries can be attributed to a variety of factors, including supply and structural constraints as well as fluctuations of business cycle. The current Uruguay Round of Multilateral Trade Negotiations cover not only in goods including agricultural goods but also international transactions in services and cross border movements of factors of production and hence ranges more widely than preceding GATT negotiations. Therefore, timely, balanced and successful conclusion of Uruguay Round of Multilateral Trade Negotiations should offer the least developed countries the prospect of strengthening the multilateral trading system in a manner that should fully reflect the concern and interests of the least developed countries.

10. The Ministers, while taking stock of the Uruguay Round of Multilateral Trade Negotiations, noted with disappointment that the Draft Final Act tabled by the Chairman of the Trade Negotiations Committee on 20 December 1991 did not reflect the commitment made by the participants in the Punta del Este Declaration to accord special treatment to the least developed countries. The Ministers therefore urged all participants in the Round to take cognizance of the development dimensions of the least developed countries and to provide for them, in all relevant areas of negotiations adequate measures to strengthen their production bases, through provision of the necessary access to investment and technologies, to expand their trading opportunities through unrestricted access to markets - free of all tariff and non-tariff barriers - for their export products. The Ministers also urged all concerned to take the initiative to enable the least developed countries to become parties to the instruments negotiated in the course of the Uruguay Round without requiring them to make concessions or contributions and undertake any additional or new commitments and obligations which are inconsistent with their development, finance and trade needs and are otherwise beyond their administrative and institutional capabilities. In this connection, the Ministers further reiterated the commitment of the international community made in "A New Partnership for Development: the Cartagena Commitment" aimed at granting substantially improved

market access for exports of the least developed countries and at providing special trade treatment for these countries.

11. The Ministers endorsed the proposals of the least developed countries, made at the spring 1993 session of the Trade and Development Board, that the Final Act of the Uruguay Round should include a distinct chapter embodying specific provisions for the least developed countries, covering the elimination of tariff and non-tariff barriers for both primary and processed products. They also reiterated their call for an early convening of a high-level group to thoroughly examine the provisions of the Draft Final Act of the Uruguay Round as they relate to the least developed countries and propose concrete measures for inclusion in the Final Act.

The environment and the least developed countries

12. The Ministers underscored the importance of environmental challenges and recognized that while the threats to the global environment are of concern to all countries, the vulnerability of the least developed countries in this area needs particular attention. The environmental problems of the least developed countries have further been worsened by soil degradation and erosion, drought and desertification, floods and cyclones, global warming and sea level rise, geographical disadvantages, explosive population growth rate etc. In this context, the Ministers recalled the Rio Declaration where the situation and needs of the least developed countries, among others, were given special priority. One of the main endeavours of the least developed countries is to achieve an optimum balance between human needs and the natural resources base in order to maximize their ability to meet these demands on a sustainable basis. The Ministers underscored the need to strengthen human, institutional and technological capacities of the least developed countries in order to better identify and cope with their problems, assess the relationship between development and environment trends and prepare national environmental management plans for conservation and protection strategies. In this connection, they welcomed the launching of Capacity 21 by UNDP and called for a substantial increase in financial resources to Capacity 21 for its implementation.

13. The Ministers also welcomed the holding of the first session of the Commission on Sustainable Development as a positive step to the United Nations Conference on Environment and Development follow-up and called upon its intersessional working groups on finance and technology to evolve concrete strategies for the effective implementation of Agenda 21 in these two crucial areas.

14. The Ministers noted the ongoing negotiations for the establishment of a restructured Global Environment Facility (GEF), including the efforts to make it more transparent and democratic. In this regard, they urged that the restructured GEF should fully take into account and give high priority to the critical needs of the least developed countries and to this end called upon the international community to accord high priority to facilitate the active participation of members of the least developed countries delegations in decision-making mechanisms of GEF.

15. The Ministers underscored that the interrelated problems of poverty and environmental degradation in the least developed countries needed to be

simultaneously and effectively tackled in order to provide a sound basis for their long-term sustained growth and sustainable development. They stressed the need, in the context of the follow-up to the implementation of Agenda 21, to address the environmental and developmental problems of the least developed countries in a comprehensive manner and called for action-oriented measures in those aspects of interest to the least developed countries. In this regard, they noted that the upcoming Global Conference on Sustainable Development of Small Island Developing States is a litmus test of the international community's commitment to the implementation of Agenda 21. Furthermore, they urged development partners to provide the least developed countries with additional resources, both in terms of concessional financing and access to environmentally sound technology to enhance the capacity of the least developed countries to protect the environment. They called on the Commission on Sustainable Development to include at each of its future sessions an item covering the interface between the Programme of Action and Agenda 21.

Mid-term global review of progress in the implementation of the Programme of Action for the Least Developed Countries

16. The Ministers stressed that the mid-term global review of progress in the implementation of the Programme of Action in 1995 would present the least developed countries and their development partners an important opportunity to take stock of the state of implementation of the Programme of Action and to determine corrective policies and measures for the remainder of the decade. They called upon the donors to set in a clear trend of a substantially increased external support to the least developed countries in all areas in order to enable the least developed countries to reintegrate themselves into the global economic process as they emerge into the coming millennium.

17. The Ministers emphasized the need for adequate and thorough preparations for a comprehensive and substantive mid-term review of the Programme of Action. They requested the development partners, including the organizations and agencies of the United Nations system, particularly UNCTAD, to provide the least developed countries with the requisite support in their own consultations, including those at high level.

18. The Ministers invited the Secretary-General of UNCTAD to designate an executive secretary for the mid-term review conference and to initiate necessary consultations with delegations regarding the preparatory process. They also asked the least developed countries delegations in New York and Geneva to take up with development partners the question of the venue of the donor/recipient meeting and of the mid-term review conference.

19. The Ministers took note of the outcome of the national and global follow-up of the Programme of Action. They in particular emphasized the need for adequate participation by the least developed countries' representatives in the global follow-up meetings so as to obtain maximum benefit out of the policy discussions therein. The paucity of extrabudgetary resources has so far impeded full participation of the least developed countries in the annual global follow-up exercise. The Ministers accordingly urged the General Assembly to ensure the participation of at least one representative from each least developed country in the annual global level follow-up meetings.

Natural disasters

20. The Ministers noted that many of the least developed countries suffer from natural disasters, with heavy losses of human lives and properties which also disrupt national efforts for development and have long-term negative impact on the national economies. Since considerable scientific and technological knowledge already exists for minimizing the impact of such disasters and since these have not yet been systematically applied in most of the least developed countries, there is an urgent need to take necessary steps to put to use this knowledge and these technologies for protective measures, contingency plans and to mitigate the consequences of such disasters. The Ministers called upon the international community to initiate coherent measures for the disaster-prone least developed countries in the areas of disaster preparedness, mitigation and prevention of disaster as well as in the area of post-disaster reconstruction efforts of such countries within the framework of the International Decade for Natural Disaster Reduction.

Population

21. The Ministers recognized the fact that rapid population growth in the least developed countries has serious and far-reaching consequences for their economies. The conjunction of high but slowly falling mortality rates and high fertility rates in the least developed countries means that the population of the least developed countries will continue to grow at a faster rate than that of other developing countries. The growth of population in the least developed countries in the 1980s is estimated at 2.67 per cent compared to 2.55 per cent in the previous decade. The Ministers expressed their concern at this demographic trend in the least developed countries. The linkage of population, poverty and sustainable development is well recognized. They also recognized that the need for effective implementation of population policies and programmes in the least developed countries continues to remain important in their efforts to strike an optimal balance between their population, natural resource base and the environment. In this context, the Ministers welcomed the holding of the International Conference on Population and Development in Cairo in 1994 and expressed the hope that the concerns and needs of the least developed countries in this field will be fully reflected in the Cairo document.

Operational activities for development in the United Nations system

22. The Ministers emphasized the importance of the operational activities for development of the United Nations system and reaffirmed the fundamental principles - namely, universality, non-conditionality, neutrality and grant nature of assistance and the flexibility in which it responds to the needs of the developing countries in accordance with their development policies and priorities. They noted that operational activities of the United Nations system are undergoing changes to meet the challenges and opportunities of the 1990s and in this regard urged for timely and full implementation of General Assembly resolutions 44/211 and 47/199. The Ministers noted with concern the decline in the resource base of the operational activities and reiterated the need for a significant increase in real terms in the overall resources available for development cooperation. They reaffirmed the need for priority allocation of grant resources to programmes and projects in the least developed countries. The Ministers reiterated the objective of self-reliance for the least developed

countries and in this connection emphasized the importance of strengthening and greater utilization of national capacities, national execution, national institutions and experts, integration of women in all the aspects of development process, promotion of the survival, protection and development of children and human resources development. They also underscored the importance of pursuing efforts relating to the improvement of programme approach, decentralization, technical cooperation among developing countries and improvement of the field representation of the United Nations system.

Restructuring of the United Nations

23. The Ministers stressed the central role that the United Nations plays in promoting and strengthening international cooperation for development. They took note of the ongoing negotiations on restructuring of the United Nations in economic, social and related fields and expressed the hope that these efforts would make the United Nations more responsive to the needs and requirements of the developing countries in the context of changing international political and economic scenarios. They also emphasized on effective coordination within the United Nations system. Within the overall framework of restructuring, the Ministers underscored the role of UNCTAD in the implementation of the Programme of Action for the least developed countries and the need to maintain the Least Developed Country Division in UNCTAD as a separate and identifiable entity so that it can effectively monitor the full and timely implementation of the Programme of Action.

24. The Ministers expressed concern at the deepening financial crisis of the United Nations which jeopardizes the ability of the organization to carry out its mandated programmes. They reiterated that this aspect deserves greater attention. The Ministers also urged that in the restructured United Nations, adequate attention should be given to the critical needs of the least developed countries in order to fully integrate their economies into the world economy and reverse the trend of their marginalization.

Consultations with G-7

25. The Ministers noted the need to sensitize the G-7 with regard to full implementation of the Programme of Action for the least developed countries for 1990. In this respect, they mandated Bangladesh as Coordinator to establish necessary contacts with G-7 members.